

ORANGE COUNTY



July 18, 2007

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Irvine Ranch Water District

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Representative of General Public

ALTERNATE
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Director Santa Margarita Water District

JOYCE CROSTHWAITE

Executive Officer

TO:

Local Agency Formation Commission

FROM:

Executive Officer

Senior Project Manager

SUBJECT:

Proposed Municipal Services Review for the Northwest

Orange County MSR Focus Area (MSR 06-51)

INTRODUCTION

This staff report includes:

- A brief overview of the Northwest Orange County MSR report and process
- Discussion on potential County boundary adjustments
- A summary of the SOI reports for each of the 6 agencies included in the NWOC MSR; and
- LAFCO staff recommendations

Government Code Sections 56425 and 56430 requires all LAFCOs to prepare MSR reports and update SOIs every 5 years. The Commission is only required to receive and file the MSR report and approve a SOI for each agency. Included in staff recommendations is a request that the Commission also direct staff to meet initially with staff of Los Angeles LAFCO regarding potential boundary adjustments within the focus area.

MSR REPORT AND PROCESS

The Northwest Orange County (NWOC) MSR focus area includes the following cities:

- Buena Park
- Cypress
- Fullerton
- La Habra
- La Palma
- Placentia

The NWOC MSR process involved a collaborative effort between the cities within the focus area and LAFCO staff to look at how municipal services

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are currently provided within the focus area and evaluate how future growth and other changes may impact the provision of those services and existing boundaries over the next 15 to 20 years. Because there were relatively few service issues identified for the area, the NWOC MSR process involved a single meeting with NWOC agencies. One-on-one interviews were conducted separately with each stakeholder agency by an independent consultant and LAFCO staff. During this meeting, the stakeholders identified issues relative to both their agency and other agencies included within the focus area.

With the exception of one determination (Government Structure Options), no significant issues were noted. The range of governance options assessed during the MSR included potential County boundary adjustments, current boundaries and sphere options, current and future delivery of municipal services to the unincorporated areas, and potential service options for law enforcement, water, and regional parks. Detailed discussions of these options are provided in the attached MSR report. It is important to note that neither LAFCO nor the affected agencies are required to adopt or implement any of the potential governance structure options discussed in the MSR report. Staff is recommending that the Commission receive and file the MSR report (Attachment A).

ORANGE/LOS ANGELES COUNTY POTENTIAL BOUNDARY ADJUSTMENTS

The Orange/Los Angeles County shared boundary for the Northwest Orange County MSR focus area includes 11 cities located in both counties. In past years, there have been discussions amongst the Board of Supervisors of each county and Orange and Los Angeles LAFCO staff regarding potential county boundary adjustments that would result in more efficient delivery of services.

The cities located within the Northwest Orange County MSR area and located along the common boundary of Orange and Los Angeles Counties include Buena Park, Cypress, Fullerton, La Habra, La Palma, and Placentia, and Los Alamitos (not included in the MSR area) of Orange County. The County of Los Angeles cities include La Mirada, Cerritos, Hawaiian Gardens, Lakewood, and Long Beach. These cities are separated by the Los Coyotes Flood Control Channel and state and local right-of-ways. For some of these cities, both the flood control channel and right-of ways are often crossed to provide services. Potential boundary options for all of the cities in Orange County are discussed in more detail in the MSR report.

When spheres were first established in the early 1970s for the NWOC cities, Orange County LAFCO staff raised the potential for county boundary realignments. At that

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time it was noted that the location of the Los Coyotes Flood Control Channel, which physically divides the two counties, has resulted in inefficient boundaries. The issue of the current boundaries between the two counties resurfaced during the NWOC MSR process. Although discussions regarding this issue have been preliminary, staff recommends that potential options should be explored further.

It is important to note that LAFCO does not have the authority to change county boundaries. This authority rests with each Board of Supervisors. However, as an initial action, LAFCO has met with Los Angeles LAFCO to discuss potential changes in Los Angeles County. Orange County LAFCO staff will be preparing a joint county boundary adjustment report with the staff of Los Angeles LAFCO. If the Board of Supervisors of each county approves any of the boundary changes, subsequent action by either or both LAFCOs may be required.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for municipal service reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider municipal service review determinations exempt from CEQA under CEQA Guidelines §15262, Feasibility and Planning Studies. A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities. (Please refer to Attachment B, Notice of Exemption.)

LAFCO STAFF RECOMMENDATIONS

Complete sphere of influence reports for each of the 6 agencies are following this staff report. Each SOI report for each agency is designed to be a "stand alone" report in order to maintain a complete file and will require separate action by the Commission. LAFCO staff recommendations are summarized as follows:

- 1. Staff recommends that the Commission receive and file the Municipal Service Review Report for the Northwest Orange County MSR focus area (*Attachment A*).
- 2. Staff recommends that the Commission find the Municipal Service Review exempt under the statutory exemption of the California Environmental Quality Act (CEQA) Guidelines (§15262) (*Attachment C*).

Respectfully submitted,

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Attachment A:

Northwest Orange County MSR Report

Attachment B: Notice of Exemption for Northwest Orange County (NWOC) MSR

City of Buena Park: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments

City of Cypress: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments

City of Fullerton: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments

City of La Habra: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments

City of La Palma: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments

City of Placentia: Sphere Report, MSR resolution/determinations, SOI resolution/determinations

& associated attachments



Municipal Service Review & Sphere of Influence Study Northwest Orange County July 18, 2007

NOTICE OF EXEMPTION

| TO: | ☐ Clerk o | f the Board of Supervisors | FROM: | Orange County Local Agency Formation | | |
|-----|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | or | | Commission 12 Civic Center Plaza, Room 235 | | | |
| | County | Clerk | | | | |
| | County | of: Orange | American de la companya de la compan | Santa Ana, CA 92701 | | |
| 1. | Project Title: | | | Northwest Orange County Municipal Service Review (MSR 06-51) | | |
| 2. | cross streets or att | - Identify street address and tach a map showing project site GS 15' or 7 1/2' topographical quadrangle name): | The project area encompasses the city boundaries of Buena Park, Cypress, Fullerton, La Habra, La Palma, and Placentia. The project area also includes several unincorporated areas adjacent to the Cities of Buena Park, La Habra, and Placentia. | | | |
| 3. | (a) Project I | Location – City: | Cities of Buena Park, Cypress, Fullerton, La Habra, La Palma, Placentia, and portions of unincorporated Orange County. | | | |
| | (b) Project I | Location – County: | Orange | | | |
| 4. | LAFCO Action o | n Project: | Receive and determinati | d file MSR report and adopt statement of ons. | | |
| 5. | Description of nature, purpose, and beneficiaries of Project: | | In accordance with Government Code Sections 56430, LAFCO is required to conduct regional studies on future growth and make written determinations about municipal services and how local agencies are planning for future growth within our municipal services and infrastructure systems. LAFCO will conduct a public hearing for the Municipal Service Review on July 18, 2007. During which, there will be an opportunity for public comment on the process. | | | |
| 6. | Name & Address of Public Agency approving project: | | Orange Cou | inty Local Agency Formation Commission | | |
| | | | 12 Civic Center Plaza, Room 235 | | | |
| | | | Santa Ana, | CA 92701 | | |
| 7. | Name & Address out project: | of Person or Agency carrying | Same as abo | ove | | |
| 8. | Exempt status: (c | check one) | L | | | |
| | (a) 🔲 | Ministerial project. | | | | |
| | (b) | Not a project. | | | | |
| | (c) | Emergency Project. | | | | |
| | (d) 🛛 | Feasibility or Planning Study | | | | |
| | (e) | Categorical Exemption. State type and class number: | | | | |
| | (f) 🔲 | Declared Emergency. | | | | |
| | (g) 🔲 | Statutory Exemption. | | | | |
| | | State Code section number: | | | | |
| | (h) | Other. Explanation: | | | | |
| 9. | Reason why proje | ect was exempt: | service revi CEQA Guid | mends that the Commission consider municipal ew determinations exempt from CEQA under delines §15262, Feasibility and Planning project involving only feasibility or planning | | |

ATTACHMENT B

| | | studies for possible future actions which the agency, board, or commission has not approved, adopted or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities. | | |
|--------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | | |
| | Telephone: | (714) 834-2556 | | |
| 11. | Attach Preliminary Exemption Assessment (Form "A") before filing. | | | |
| Date F | Received for Filing: | C: (I_AFCO Pages antativa) | | |
| | | Signature (LAFCO Representative) | | |

Executive Officer
Title

(Clerk Stamp Here)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 5 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of Buena Park (SOI 07-06)

City of Buena Park

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Buena Park. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of Buena Park. Staff recommends that the Commission adopt the resolution for the City of Buena Park MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of Buena Park was incorporated on January 27, 1953 and its current population is approximately 81,000. The City's SOI was originally adopted by the Commission in 1973 and was last comprehensively reviewed in 1980. The city is bounded by Fullerton, Anaheim, Cypress, La Palma, and the cities of Cerritos and La Mirada (Los Angeles County).

Buena Park's current incorporated and SOI boundaries are adjacent to the City of La Mirada and Cerritos. The City's SOI includes an unincorporated island located in the northern portion of the city. While this area is within Orange County jurisdiction, historically residents more closely associate with the City of La Mirada rather than Buena Park. Although the area is within unincorporated Orange County, the area may only be accessed through La Mirada due to the adjacent Los Coyotes Flood Control Channel.

Back in 1973 when the City's SOI was first established, LAFCO staff recognized the existing inefficient boundaries between Buena Park and Los Angeles County and suggested that a county realignment be explored. More recently, LAFCO staff spoke

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with Buena Park representatives and while the City did not object to discussing the issue, the City did reiterate its position that if the area remains within Buena Park's SOI, the City will not annex this area unless residents are willing to be annexed.

Staff recommends that the Commission direct staff to meet with Los Angeles LAFCO and the affected jurisdictions to explore future governance for the area. Staff also recommends that the Commission receive and file the City of Buena Park SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2) at this time, and adopt the SOI resolution and Statement of Determinations for the City of Buena Park (Attachment E).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider the sphere of influence update for the City of Buena Park exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Buena Park's existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of Buena Park SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of Buena Park's MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of Buena Park's SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 13 of NWOC MSR Report).

Attachment C: City of Buena Park MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of Buena Park SOI Resolution/Determinations

Exhibit E-2: City of Buena Park SOI Map (See page 13 of NWOC MSR Report)

MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA

ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF BUENA PARK July 18, 2007

| On motion of Commissioner | , duly seconded and carried, the |
|-----------------------------------|----------------------------------|
| following resolution was adopted: | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of Buena Park (SOI 07-06), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of Buena Park (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

Resolution MSR 06-51 Page 1 of 6

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of Buena Park; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of Buena Park was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of Buena Park (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Resolution MSR 06-51 Page 2 of 6

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of Buena Park (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of Buena Park, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of Buena Park, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of Buena Park ("aka" Northwest Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

Resolution MSR 06-51 Page 3 of 6

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

By: Bill Campbell

Resolution MSR 06-51 Page 4 of 6

SERVICE REVIEW DETERMINATIONS - City of Buena Park

1) Growth & Population Projections

The City of Buena Park is projected to experience an increase of approximately 11,000 people by 2030. The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of Buena Park reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

The City's budget increased 9.4% overall from FY 2005-2006, including an 8.9% increase for operations and a 14% increase for capital improvements. The FY 2006-2007 adopted budget reflects the third year with an operating deficit in the General Fund. General Fund requirements for FY 2006-2007 increased 11.7% over the prior year, primarily due to higher labor costs. The General Fund deficit was funded for FY 2006-2007 with undesignated fund balance. There is also concern over continued deficit spending in the Water Fund, and the City may be seeking a water rate increase. Moderate economic growth is anticipated over the next few years.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

During the MSR, it was noted that Buena Park's current sphere of influence boundary includes an unincorporated area located in the northern portion of the city and adjacent to the City of La Mirada (Los Angeles County). While this area is within Orange County jurisdiction, historically, residents more closely associate with the City of La Mirada rather than Buena Park. Although the area is within unincorporated Orange County, the area may only be accessed through La Mirada due to the adjacent Los

Coyotes Flood Control Channel. The respective Counties and cities may want to explore potential boundary adjustments.

6) Local Accountability & Governance

The City of Buena Park follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of Buena Park provides police, sewer, water, building & planning, public works, solid waste, redevelopment, and parks and recreation services to its residents. Fire protection services are provided by the Orange County Fire Authority and animal control services are provided by the City of La Habra. Library services are provided by the Buena Park Library District, an independent special district. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

8) Opportunities for Management Efficiencies No significant issues were noted.

9) Opportunities for Shared Facilities

No significant issues were noted.



NOTICE OF EXEMPTION

| TO: | | of the Board of Supervisors | FROM: Orange County Local Agency Formation Commission | | |
|-----|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | or | | 12 Civic Center Plaza, Room 235 | | |
| | | | Santa Ana, CA 92701 | | |
| | County | of: Orange | Date of the Charles Province (SOLO7 | | |
| 1. | Project Title: | | City of Buena Park Sphere of Influence Review (SOI 07-06) | | |
| 2. | cross streets or at (preferably a US) map identified by | - Identify street address and tach a map showing project site GS 15' or 7 1/2' topographical y quadrangle name): | The project area includes the City of Buena Park and the unincorporated area within the city's sphere of influence located in the northern portion of the city. Buena Park's current incorporated and SOI boundaries are adjacent to the City of La Mirada and Cerritos. Buena Park and a portion of unincorporated Orange | | |
| 3. | (a) Project | Location – City: | County. | | |
| | (b) Project | Location – County: | Orange | | |
| 4. | LAFCO Action of | on Project: | Reaffirm the City of Buena Park sphere of influence and adopt the statement of determinations | | |
| 5. | Description of nature, purpose, and beneficiaries of Project: | | In accordance with Government Code Sections 56430, LAFCO is required to conduct regional studies on future growth and make written determinations about municipal services and how local agencies are planning for future growth within our municipal services and infrastructure systems. In conjunction with Municipal Service Reviews, LAFCO is required to update an agency's sphere of influence no less than once every five years. LAFCO will conduct a public hearing for the sphere of influence review on July 18, 2007. During which, there will be an opportunity for public comment on the process. | | |
| 6. | Name & Address of Public Agency approving project: | | Orange County Local Agency Formation Commission 12 Civic Center Plaza, Room 235 Santa Ana, CA 92701 | | |
| 7. | Name & Addres out project: | s of Person or Agency carrying | Same as above | | |
| 8. | Exempt status: | (check one) | | | |
| | (a) 🔲 | Ministerial project. | | | |
| | (b) 🔯 | Not a project. | | | |
| | (c) 🔲 | Emergency Project. | | | |
| | (d) | Feasibility or Planning Study | | | |
| | (e) | Categorical Exemption. State type and class number: | | | |
| | (f) | Declared Emergency. | | | |
| | (g) \square | Statutory Exemption. | | | |
| | (5) | State Code section number: | | | |
| | (h) 🔲 | Other. Explanation: | | | |
| 9. | | ject was exempt: | The Commission's Staff, having undertaken and completed a preliminary review of this project in accordance with the Commission's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further | | |

ATTACHMENT D

| | | environmental assessment under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Buena Park's existing sphere of influence at this time is warranted. | | |
|--------|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | | |
| | Telephone: | (714) 834-2556 | | |
| 11. | Attach Preliminary Exemption Assessment (F | Form "A") before filing. | | |
| Date | Received for Filing: | Signature (LAFCO Representative) | | |
| (Clerl | Stamp Here) | Executive Officer Title | | |

SOI 07-06

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF BUENA PARK July 18, 2007

| On motion of Commissioner, | carried, the following |
|----------------------------|------------------------|
| resolution was adopted: | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of Buena Park (SOI 07-06) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of Buena Park (SOI 07-06) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Buena Park; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of Buena Park was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of Buena Park (SOI 07-06) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

- Section 2. Determinations
 - a) The Commission accepts the report for the sphere of influence update for the City of Buena Park (SOI 07-06) as presented to the Commission on July 18, 2007.
 - b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of Buena Park, dated July 18, 2007, are hereby adopted.
 - b) The Commission has adopted the accompanying Statement of Determinations for the City of Buena Park, shown as "Exhibit E-1."
 - c) The Commission has reaffirmed the City of Buena Park previous sphere of influence as shown on the attached map labeled "Exhibit E-2."
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of Buena Park" (SOI 07-06).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

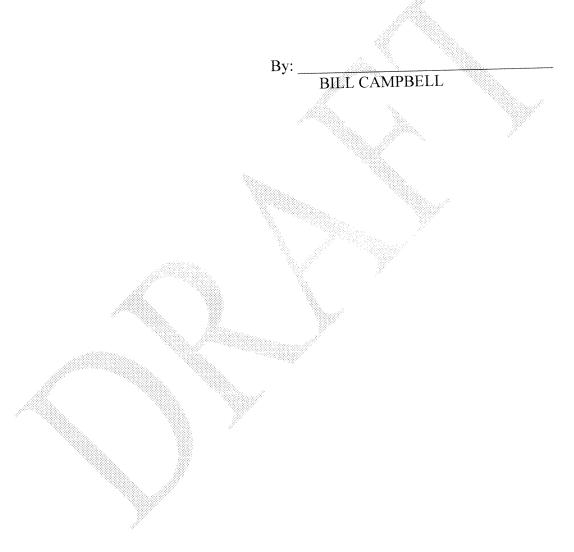
AYES:
NOES:
STATE OF CALIFORNIA)
) SS.

COUNTY OF ORANGE

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission



ATTACHMENT E-1

Statement of Determinations City of Buena Park Sphere of Influence

Present and Planned Land Uses for the Area

The City of Buena Park is expected to increase its current population of approximately 81,349 to 92,481 by the year 2030. The City includes mixed land uses of residential, industrial, and commercial. Major land use within the City includes single and multi-family residential. The City is fully developed. No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

The City of Buena Park is essentially built-out and the extension of infrastructure and services is expected to be minimal. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

Present Capacity of Public Facilities and Adequacy of Public Services

In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

Social and Economic Communities of Interest

The City of Buena Park sphere of influence includes a small unincorporated area consisting of approximately 39 acres. The Northwest Orange County MSR report noted that while this area is within Orange County jurisdiction, historically, residents more closely associate with the City of La Mirada (Los Angeles County) rather than Buena Park. Although the area is within unincorporated Orange County, the area may only be accessed through La Mirada due to the adjacent Los Coyotes Flood Control Channel. The respective Counties and cities may want to explore potential boundary adjustments.

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 8 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of Cypress (SOI 07-07)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 9 of 22

City of Cypress

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Cypress. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of Cypress. Staff recommends that the Commission adopt the resolution for the City of Cypress MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of Cypress was incorporated on July 24, 1956 and is home to approximately 48,000 residents. The City's SOI is coterminous with its boundaries and was originally adopted by the Commission in 1973. Cypress is bounded by La Palma, Buena Park, Anaheim, Stanton, Garden Grove, Los Alamitos, and the Los Angeles County cities of Long Beach, Hawaiian Gardens, Lakewood and Cerritos.

When the SOI was first established for Cypress, it was stated that alignment of the Los Coyotes Flood Control Channel created inefficient boundaries in the area. In Cypress today, these boundary concerns remain. However the City has expressed no interest in exploring adjustments to their current SOI boundary at this time.

Staff recommends that the Commission receive and file the City of Cypress SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2) at this time, and adopt the SOI resolution and Statement of Determinations for the City of Cypress (Attachment E).

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 10 of 22

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider the sphere of influence update for the City of Cypress exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Cypress' existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of Cypress SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of Cypress' MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of Cypress' SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 16 of NWOC MSR Report).

Attachment C: City of Cypress MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of Cypress SOI Resolution/Determinations

Exhibit E-2: City of Cypress SOI Map (See page 16 of NWOC MSR Report)

MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF CYPRESS July 18, 2007

| On motion of Commissioner | , duly seconded and carried | , the |
|-----------------------------------|-----------------------------|-------|
| following resolution was adopted: | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of Cypress (SOI 07-07), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of Cypress (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of Cypress; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of Cypress was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of Cypress (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of Cypress (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of Cypress, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of Cypress, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of Cypress ("aka" Northwest Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

By:
Bill Campbell

SERVICE REVIEW DETERMINATIONS - City of Cypress

1) Growth & Population Projections

The City of Cypress is projected to experience an increase of slightly less than 5,000 people by 2030. The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of Cypress reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

The City's budget increased 15.8% overall from FY 2005-2006, including a 3.3% increase in the General Fund. The City is projecting a combined ending balance of \$30.7 million for all funds at June 30, 2007, including \$1.9 million in the General Fund and \$10.7 million in the Capital Projects Fund.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

No significant issues were noted at this time. However, it was noted that the realignment of the Los Coyotes Flood Control Channel has created inefficient boundaries along the boundary between Orange and Los Angeles Counties. At this time, the City has expressed that it is not interested in adjustment of the boundaries.

6) Local Accountability & Governance

The City of Cypress follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly

Page 5 of 6
Resolution MSR 06-51

scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of Cypress provides police, sewer, building & planning, public works, solid waste, redevelopment services to its residents. Fire protection services are provided by the Orange County Fire Authority and water service is provided by Golden State Water Company, a private agency. Library and animal control services are provided by the County of Orange. Parks and recreation services are provided by the Cypress Recreation and Parks District, an independent special district. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

8) Opportunities for Management Efficiencies

No significant issues were noted.

9) Opportunities for Shared Facilities

No significant issues were noted.



NOTICE OF EXEMPTION

| TO: | | Clerk o | f the Board of Supervisors | FROM: | Orange County Local Agency Formation Commission | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | | or | · | The state of the s | 12 Civic Center Plaza, Room 235 | | |
| | \boxtimes | County | | wandoluliji.koj kirijovićoj | Santa Ana, CA 92701 | | |
| | | County | of: Orange | <u> </u> | press Sphere of Influence Review (SOI 07-07) | | |
| 1. | Project ' | Title: | | | | | |
| 2. | Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name): | | | The project area includes the City of Cypress incorporated boundaries. The City's SOI is coterminous with its boundaries and was originally adopted by the Commission in 1973. Cypress is bounded by La Palma, Buena Park, Anaheim, Stanton, Garden Grove, Los Alamitos, and the Los Angeles County cities of Long Beach, Hawaiian Gardens, Lakewood and Cerritos. | | | |
| 3. | (a) | Project I | Location – City: | Cypress | Cypress | | |
| | (b) | Project l | Location – County: | Orange | | | |
| 4. | LAFCC | Action o | on Project: | Reaffirm the City of Cypress sphere of influence and adopt the statement of determinations | | | |
| 5. | Description of nature, purpose, and beneficiaries of Project: | | In accordance with Government Code Sections 56430, LAFCO is required to conduct regional studies on future growth and make written determinations about municipal services and how local agencies are planning for future growth within our municipal services and infrastructure systems. In conjunction with Municipal Service Reviews, LAFCO is required to update an agency's sphere of influence no less than once every five years. LAFCO will conduct a public hearing for the sphere of influence review on July 18, 2007. During which, there will be an opportunity for public comment on the process. | | | | |
| 6. | 6. Name & Address of Public Agency approving | | Orange C | County Local Agency Formation Commission | | | |
| project: | | | | | Center Plaza, Room 235 | | |
| | | | | | ia, CA 92701 | | |
| 7. | Name & Address of Person or Agency carrying out project: | | Same as | above | | | |
| 8. | Exempt status: (check one) | | | | | | |
| | (a) | | Ministerial project. | | | | |
| | (b) | \boxtimes | Not a project. | | | | |
| | (c) | | Emergency Project. | | | | |
| | (d) | | Feasibility or Planning Study | | | | |
| | (e) | | Categorical Exemption. State type and class number: | | | | |
| | (f) | | Declared Emergency. | and the second s | | | |
| | (g) | | Statutory Exemption. State Code section number: | | | | |
| | (h) | | Other. Explanation: | | | | |
| 9. | | n why pro | ject was exempt: | a prelim Commis | nmission's Staff, having undertaken and completed inary review of this project in accordance with the sion's "Local Guidelines for Implementing the in Environmental Quality Act (CEQA)" has ed that this project does not require further | | |

ATTACHMENT D

| | | environmental assessment under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Cypress' existing sphere of influence at this time is warranted. | | | |
|---------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | | | |
| | Telephone: | (714) 834-2556 | | | |
| 11. | . Attach Preliminary Exemption Assessment (Form "A") before filing. | | | | |
| | | | | | |
| Date Received for Filing: | | Signature (LAFCO Representative) | | | |
| (Clerk Stamp Here) | | Executive Officer Title | | | |

SOI 07-07

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF CYPRESS July 18, 2007

| On motion of Commissioner, | , duly | seconded and | following |
|----------------------------|--------|--------------|-----------|
| resolution was adopted: | | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of Cypress (SOI 07-07) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of Cypress (SOI 07-07) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Cypress; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of Cypress was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of Cypress (SOI 07-07) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Commission accepts the report for the sphere of influence update for the City of Cypress (SOI 07-07) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of Cypress, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of Cypress, shown as "Exhibit E-1."
- c) The Commission has reaffirmed the City of Cypress previous sphere of influence as shown on the attached map labeled "Exhibit E-2."
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of Cypress" (SOI 07-07).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA)

) SS.

COUNTY OF ORANGE

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

By:

BILL CAMPBELL

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 11 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of Fullerton (SOI 07-08)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 12 of 22

City of Fullerton

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Fullerton. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of Fullerton. Staff recommends that the Commission adopt the resolution for the City of Fullerton MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of Fullerton was incorporated on February 15, 1904 and has a population of approximately 136,000 residents. The Commission first adopted an SOI for the City in 1975 and city's SOI was last comprehensively reviewed in 1991. The city is bounded by La Habra, Brea, Placentia, Anaheim, Buena Park and a small portion of the Los Angeles County City of La Mirada. The city's sphere of influence is coterminous with city boundaries.

There are no sphere or county boundary issues for Fullerton identified at this time. Staff recommends that the Commission receive and file the City of Fullerton SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2), and adopt the SOI resolutions and Statement of Determinations for the City of Fullerton (Attachment E).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider the sphere of influence update for the City of Fullerton

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 13 of 22

exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Fullerton's existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of Fullerton SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of Fullerton's MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of Fullerton's SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 19 of NWOC MSR Report).

Attachment C: City of Fullerton MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of Fullerton SOI Resolution/Determinations

Exhibit E-2: City of Fullerton SOI Map (See page 19 of NWOC MSR Report)

ATTACHMENT E-1

Statement of Determinations City of Cypress Sphere of Influence

Present and Planned Land Uses for the Area

The City of Cypress is expected to increase its current population of approximately 48,854 to 53,752 by the year 2030. The City includes mixed land uses of residential, industrial, and commercial and open space. Residential land uses constitute the majority of development, comprising approximately 38 percent of the City's total acreage. Today, as the City of Cypress approaches build-out, both the General Plan and the Redevelopment Plans have focused on preserving residential neighborhoods, guiding the remaining development opportunities, and encouraging the revitalization of selected areas. No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

The City of Cypress is essentially built-out and the extension of infrastructure and services is expected to be minimal. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u>
In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

Social and Economic Communities of Interest

The City's SOI is coterminous with its boundaries and was originally adopted by the Commission in 1973. Cypress is bounded by La Palma, Buena Park, Anaheim, Stanton, Garden Grove, Los Alamitos, and the Los Angeles County cities of Long Beach, Hawaiian Gardens, Lakewood and Cerritos. No social or economic communities of interest generally overlap existing city boundaries.

SOI 07-08

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF FULLERTON July 18, 2007

| On motion of Commissioner, | • | carried, the following |
|----------------------------|---|------------------------|
| resolution was adopted: | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of Fullerton (SOI 07-08) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of Fullerton (SOI 07-08) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Fullerton; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of Fullerton was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of Fullerton (SOI 07-08) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

- Section 2. Determinations
 - a) The Commission accepts the report for the sphere of influence update for the City of Fullerton (SOI 07-08) as presented to the Commission on July 18, 2007.
 - b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of Fullerton, dated July 18, 2007, are hereby adopted.
 - b) The Commission has adopted the accompanying Statement of Determinations for the City of Fullerton, shown as "Exhibit E-1."
 - c) The Commission has reaffirmed the City of Fullerton previous sphere of influence as shown on the attached map labeled "Exhibit E-2."
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of Fullerton" (SOI 07-08).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA)
) SS.

COUNTY OF ORANGE

ATTACHMENT E-1

Statement of Determinations City of Fullerton Sphere of Influence

Present and Planned Land Uses for the Area

The City of Fullerton is expected to increase its current population of approximately 136,428 to 149,711 by the year 2030. The City of Fullerton is a predominantly suburban/urban community characterized by a variety of land uses. Approximately 90 percent of the City is developed, exclusive of open space and parks and recreational facilities. Residential uses in the City have typically been developed at relatively low levels of intensity and several large scale residential developments contribute to the City's unique visual character. The Coyote Hills East and West Specific Plans have extensive open space and streetscaping. No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

Fullerton encompasses approximately 23 square miles and is approaching a buildout level of 90 percent. In 1993, the City was Orange County's fifth most populous. The City is bordered by the cities of Anaheim, Placentia, Brea, La Habra, La Mirada, Buena Park and a small portion of unincorporated Orange County land to the west and South. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

Present Capacity of Public Facilities and Adequacy of Public Services

In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

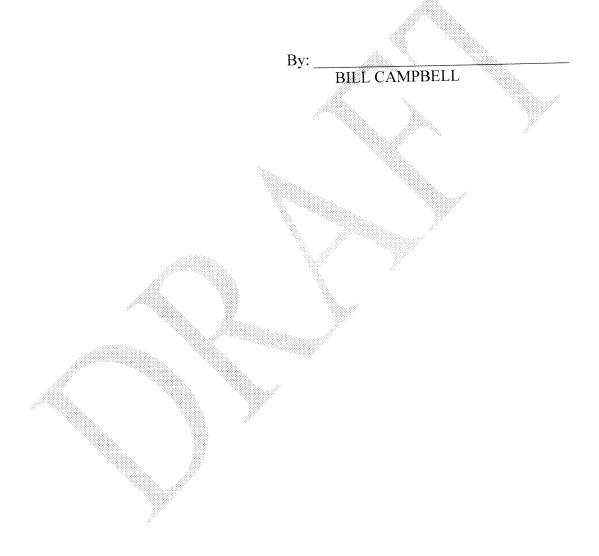
Social and Economic Communities of Interest

The Commission first adopted an SOI for the City in 1975 and city's SOI was last comprehensively reviewed in 1991. The city is bounded by La Habra, Brea, Placentia, Anaheim, Buena Park and a small portion of the Los Angeles County City of La Mirada. The city's sphere of influence is coterminous with city boundaries. No social or economic communities of interest generally overlap existing city boundaries.

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission



MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF FULLERTON

July 18, 2007

| On motion of Commissioner | , duly | seconded and carried, the |
|-----------------------------------|--------|---------------------------|
| following resolution was adopted: | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of Fullerton (SOI 07-08), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of Fullerton (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

Resolution MSR 06-51 Page 1 of 6

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of Fullerton; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of Fullerton was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of Fullerton (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Resolution MSR 06-51 Page 2 of 6

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of Fullerton (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of Fullerton, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of Fullerton, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of Fullerton ("aka" Northwest Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA)

) SS,

COUNTY OF ORANGE

Page 3 of 6

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

By: ______Bill Campbell

Resolution MSR 06-51 Page 4 of 6

SERVICE REVIEW DETERMINATIONS - City of Fullerton

1) Growth & Population Projections

The City of Fullerton will have the highest increase in population of the NWOC cities, with an additional 13,300 residents by 2030. Fullerton's projection does not include the proposed West Coyote Hills Specific Plan development to include 760 new homes that is currently in the planning process with the City.

The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of Fullerton reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

The City is experiencing strong growth in property taxes and sales taxes, which comprise approximately 67% of the City's General Fund revenue. Fullerton prepares a bi-annual budget, with mid-year revisions to adjust for changes in future expectations. The City has a policy to maintain a 10% General Operating Fund reserve. The City's projected combined ending fund balance at June 30, 2007 is \$42.4 million.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

No significant issues were noted at this time.

Resolution MSR 06-51 Page 5 of 6

6) Local Accountability & Governance

The City of Fullerton follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of Fullerton is a full-service city that provides police, fire, sewer, water, building & planning, public works, solid waste, parks and recreation, redevelopment, and library services to its residents. Animal control services are provided by the County of Orange. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

8) Opportunities for Management Efficiencies

No significant issues were noted.

9) Opportunities for Shared Facilities

No significant issues were noted.



NOTICE OF EXEMPTION

| 1 | | | | ************************************** |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TO: | ☐ Cle | rk of the Board of Supervisors | FROM: | Orange County Local Agency Formation Commission |
| | ⊠ Cor | unty Clerk | | 12 Civic Center Plaza, Room 235 |
| SECTION AND ASSOCIATION OF THE SECTION OF THE SECTI | | unty of: Orange | THE RELIGIOUS AND ASSAULTS. | Santa Ana, CA 92701 |
| 1. | Project Title: | | City of Full | lerton Sphere of Influence Review (SOI 07-08) |
| 2. | cross streets o (preferably a l | on – Identify street address and r attach a map showing project site USGS 15' or 7 1/2' topographical by quadrangle name): | boundaries. Placentia, A Los Angele | area includes the City of Fullerton incorporated. The city is bounded by La Habra, Brea, Anaheim, Buena Park and a small portion of the s County City of La Mirada. The city's sphere is coterminous with city boundaries. |
| 3. | (a) Proje | ect Location – City: | Fullerton | |
| | (b) Proje | ect Location – County: | Orange | |
| 4. | LAFCO Actio | n on Project: | | e City of Fullerton sphere of influence and atement of determinations |
| 5. | Description of of Project: | nature, purpose, and beneficiaries | required to or written detern agencies are services and Municipal Se agency's sph LAFCO will review on Jul | e with Government Code Sections 56430, LAFCO is conduct regional studies on future growth and make minations about municipal services and how local planning for future growth within our municipal infrastructure systems. In conjunction with ervice Reviews, LAFCO is required to update an ere of influence no less than once every five years. conduct a public hearing for the sphere of influence by 18, 2007. During which, there will be an or public comment on the process. |
| 6. | Name & Addro project: | ess of Public Agency approving | | nty Local Agency Formation Commission nter Plaza, Room 235 CA 92701 |
| 7. | Name & Addre out project: | ess of Person or Agency carrying | Same as abo | |
| 8. | Exempt status: | (check one) | | |
| and the state of t | (a) | Ministerial project. | | |
| | (b) 🛛 | Not a project. | | |
| | (c) | Emergency Project. | | |
| | (d) | Feasibility or Planning Study | | |
| immerila (diskala karin bermana usu na pena pena daka | (e) | Categorical Exemption. State type and class number: | | |
| | (f) | Declared Emergency. | | |
| | (g) | Statutory Exemption. State Code section number: | | |
| | (h) | Other. Explanation: | | |
| 9. | Reason why pro | oject was exempt: | a preliminary Commission' California Er concluded the environmenta | sion's Staff, having undertaken and completed review of this project in accordance with the s' "Local Guidelines for Implementing the avironmental Quality Act (CEQA)" has at this project does not require further al assessment under CEQA Local Guidelines ere review is not an enactment and, therefore. |

ATTACHMENT D

| | | ATTACHMENT | |
|-----------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | | not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Fullerton's existing sphere of influence at this time is warranted. | |
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | |
| | Telephone: | (714) 834-2556 | |
| 11. Attach Preliminary Exemption Assessment (Form "A") before filing. | | | |
| | | | |
| Date Re | Received for Filing: | | |
| | | Signature (LAFCO Representative) | |
| (Clerk S | Stamp Here) | Executive Officer Title | |
| | | THE | |

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 14 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of La Habra (SOI 07-09)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 15 of 22

City of La Habra

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of La Habra. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of La Habra. Staff recommends that the Commission adopt the resolution for the City of La Habra MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of La Habra incorporated on January 20, 1925 and its original SOI was established in 1974. The city has grown to slightly less than 62,000 residents and the SOI was reaffirmed by the Commission in 1989. La Habra is bounded by Fullerton, Brea and the Los Angeles County cities of Whittier, La Habra Heights, La Mirada and a portion of unincorporated Los Angeles County. La Habra's sphere of influence includes the incorporated boundary and approximately 140 acres of unincorporated Orange County.

There are no sphere or county boundary issues for La Habra identified at this time. Staff recommends that the Commission receive and file the City of La Habra SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2), and adopt the SOI resolutions and Statement of Determinations for the City of La Habra (Attachment E).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 16 of 22

the Commission consider the sphere of influence update for the City of La Habra exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of La Habra's existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of La Habra SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of La Habra's MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of La Habra's SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 22 of NWOC MSR Report).

Attachment C: City of La Habra MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of La Habra SOI Resolution/Determinations

Exhibit E-2: City of La Habra SOI Map (See page 22 of NWOC MSR Report)

MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA

ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF LA HABRA July 18, 2007

| On motion of Commissioner | , duly seconded | and carried, the following |
|---------------------------|-----------------|----------------------------|
| resolution was adopted: | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of La Habra (SOI 07-09), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of La Habra (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of La Habra; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of La Habra was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of La Habra (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Resolution MSR 06-51 Page 2 of 6

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of La Habra (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of La Habra, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of La Habra, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of La Habra ("aka" Northwest Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE)

Resolution MSR 06-51

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

By: Bill Campbell

Resolution MSR 06-51 Page 4 of 6

SERVICE REVIEW DETERMINATIONS - City of La Habra

1) Growth & Population Projections

The City of La Habra's population will increase by approximately 6,700 persons by 2030. The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of La Habra reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

La Habra's primary sources of General Fund revenue are sales tax, property tax and a Utility User's tax. Voters within the City of La Habra have defeated measures to extend the existing 6% Utility User's Tax. The current Utility User's Tax will sunset on December 31, 2007. Data was not available to assess what impact this will have on City's budget. The City's budget for FY 2006-2007 includes General Fund revenues of \$34.3 million and expenditures of \$31.9 million.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

No significant issues were noted at this time. However, it was noted that the City's current SOI includes several unincorporated areas. Although the County of Orange provides services to these areas, the City has been identified as the most logical service provider to these adjacent areas. Therefore, future annexation of these areas should be considered.

Resolution MSR 06-51 Page 5 of 6

6) Local Accountability & Governance

The City of La Habra follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of La Habra provides police, sewer, water, building & planning, public works, solid waste, parks and recreation, redevelopment, and animal control. Library services are provided by the County of Orange. Fire protection services are provided by the Los Angeles County Fire Department. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

8) Opportunities for Management Efficiencies

No significant issues were noted.

9) Opportunities for Shared Facilities

No significant issues were noted.



NOTICE OF EXEMPTION

| TO: | | of the Board of Supervisors | FROM: | Orange County Local Agency Formation Commission | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | or Same | . Clark | 12 Civic Center Plaza, Room 235 | | |
| | County | v of: Orange | Santa Ana, CA 92701 | | |
| | | voi. Orange | City of La | Habra Sphere of Influence Review (SOI 07-09) | |
| 1. | Project Title: | | | | |
| 2. | Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name): | | The project area includes the City of Fullerton incorporated boundaries and adjacent unincorporated areas. La Habra is bounded by Fullerton, Brea and the Los Angeles County cities of Whittier, La Habra Heights, La Mirada and a portion of unincorporated Los Angeles County. La Habra's sphere of influence includes the incorporated boundary and approximately 140 acres of unincorporated Orange County. | | |
| 3. | (a) Project l | Location – City: | | nd portions of unincorporated Orange County | |
| | (b) Project l | Location – County: | Orange | | |
| 4. | LAFCO Action o | on Project: | | e City of La Habra sphere of influence and atement of determinations | |
| 5. | Description of nature, purpose, and beneficiaries of Project: | | In accordance with Government Code Sections 56430, LAFCO is required to conduct regional studies on future growth and make written determinations about municipal services and how local agencies are planning for future growth within our municipal services and infrastructure systems. In conjunction with Municipal Service Reviews, LAFCO is required to update an agency's sphere of influence no less than once every five years. LAFCO will conduct a public hearing for the sphere of influence review on July 18, 2007. During which, there will be an opportunity for public comment on the process. | | |
| 6. | | of Public Agency approving | Orange Cou | inty Local Agency Formation Commission | |
| | project: | | 12 Civic Center Plaza, Room 235 | | |
| | | | Santa Ana, | CA 92701 | |
| 7. | Name & Address out project: | of Person or Agency carrying | Same as abo | ove | |
| 8. | Exempt status: (c | check one) | I | | |
| | (a) | Ministerial project. | | | |
| | (b) 🔀 | Not a project. | | | |
| | (c) | Emergency Project. | | | |
| | (d) | Feasibility or Planning Study | | | |
| | (e) | Categorical Exemption. | | | |
| | | State type and class number: | | | |
| | (f) | Declared Emergency. | | | |
| | (g) | Statutory Exemption. State Code section number: | | | |
| | (h) | Other. Explanation: | | | |
| 9. | Reason why proje | ect was exempt: | a preliminar Commissior California E | ssion's Staff, having undertaken and completed y review of this project in accordance with the a's "Local Guidelines for Implementing the Invironmental Quality Act (CEQA)" has not this project does not require further | |

ATTACHMENT D

| | | environmental assessment under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of La Habra's existing sphere of influence at this time is warranted. | | |
|-----------------------------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | | |
| | Telephone: | (714) 834-2556 | | |
| 11. Attach Preliminary Exemption Assessment (Form "A") before filing. | | | | |
| Date R | eceived for Filing: | | | |
| | | Signature (LAFCO Representative) | | |
| (Clerk | Stamp Here) | Executive Officer Title | | |
| | | | | |

SOI 07-09

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF LA HABRA July 18, 2007

| On motion of Commissioner | , dı | uly | seconded and | carried, the | following |
|---------------------------|------|-----|--------------|--------------|-----------|
| resolution was adopted: | | | | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of La Habra (SOI 07-09) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of La Habra (SOI 07-09) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of La Habra; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of La Habra was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of La Habra (SOI 07-09) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Commission accepts the report for the sphere of influence update for the City of La Habra (SOI 07-09) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of La Habra, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of La Habra, shown as "Exhibit E-1."
- c) The Commission has reaffirmed the City of La Habra previous sphere of influence as shown on the attached map labeled "Exhibit E-2,"
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of La Habra" (SOI 07-09).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA

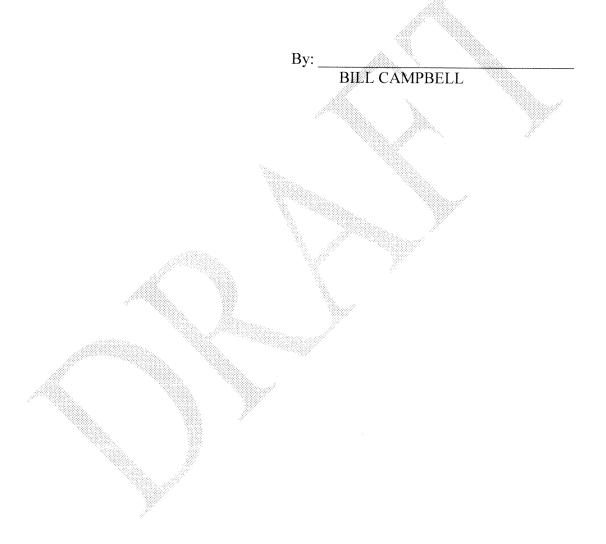
) SS.

COUNTY OF ORANGE

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission



LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 17 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of La Palma (SOI 07-10)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 18 of 22

City of La Palma

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of La Palma. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of La Palma. Staff recommends that the Commission adopt the resolution for the City of La Palma MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of La Palma was incorporated October 19, 1955 and its original SOI was adopted by the Commission in 1973. Current population is approximately 16,000. The city is bounded by Buena Park, Cypress, and the Los Angeles County City of Cerritos. The city's sphere of influence is coterminous with city boundaries, and there are no unincorporated islands.

During the MSR, county boundary issues were noted. There are two areas presently located in the City of Cerritos (Los Angeles County), east of the Los Coyotes Flood Control Channel and adjacent to the City of La Palma. One area includes Rainbow Park, currently located in La Palma, but maintained by Cerritos through a contract. In discussions with the city, the channel was referenced as potentially the logical dividing boundary for Orange and Los Angeles Counties, (ideally, with territory east of the creek in La Palma and west of the creek in Cerritos). Both cities may want to discuss potential benefits of a county/city boundary adjustment with their respective Board of Supervisors and with LAFCO for any subsequent annexation.

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 19 of 22

Staff has met with Los Angeles LAFCO to discuss these areas. Staff also recommends that the Commission receive and file the City of La Palma SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2), and adopt the SOI resolutions and Statement of Determinations for the City of La Palma (Attachment E).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider the sphere of influence update for the City of La Palma exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of La Palma's existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of La Palma SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of La Palma's MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of La Palma's SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 25 of NWOC MSR Report).

Attachment C: City of La Palma MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of La Palma SOI Resolution/Determinations

Exhibit E-2: City of La Palma SOI Map (See page 25 of NWOC MSR Report)

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL
Chair of the Orange County
Local Agency Formation Commission

By: Bill Campbell

Resolution MSR 06-51 Page 4 of 6

ATTACHMENT E-1

Statement of Determinations City of La Habra Sphere of Influence

Present and Planned Land Uses for the Area

The City of La Habra is expected to increase its current population of approximately 61,789 to 68,576 by the year 2030. The City of La Habra, as it is currently developed, includes a broad range of land uses – residential, commercial, open space, and light industrial. No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

At the present time, the City is for the most part built out, with over 99% of the City's land area developed. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

Present Capacity of Public Facilities and Adequacy of Public Services

In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

Social and Economic Communities of Interest

The City of La Habra incorporated on January 20, 1925 and its original SOI was established in 1974. The city has grown to slightly less than 62,000 residents and the SOI was reaffirmed by the Commission in 1989. La Habra is bounded by Fullerton, Brea and the Los Angeles County cities of Whittier, La Habra Heights, La Mirada and a portion of unincorporated Los Angeles County. La Habra's sphere of influence includes the incorporated boundary and approximately 140 acres of unincorporated Orange County. In the Northwest Orange County MSR report, La Habra was identified as the most logical service provider for these areas. The City and County of Orange have participated in discussions regarding potential annexation of these areas.

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of La Palma; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of La Palma was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of La Palma (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Resolution MSR 06-51 Page 2 of 6

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of La Palma (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of La Palma, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of La Palma, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of La Palma ("aka" Northwest Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:
NOES:
STATE OF CALIFORNIA)
) SS.
COUNTY OF ORANGE

Resolution MSR 06-51 Page 3 of 6

MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF LA PALMA July 18, 2007

| On motion of Commissioner | , duly | seconded | and carried, | the following |
|---------------------------|--------|----------|--------------|---------------|
| resolution was adopted: | | | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of La Palma (SOI 07-10), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of La Palma (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

Resolution MSR 06-51 Page 1 of 6

SERVICE REVIEW DETERMINATIONS - City of La Palma

1) Growth & Population Projections

The City of La Palma's population is expected increase only by approximately 1,200 persons by 2030. The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of La Palma reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

The City of La Palma's revenue base is heavily dependent on sales and property taxes generated by commercial entities. Approximately 65% of La Palma's General Fund revenues are generated from the business sector. Sales tax is the largest source of revenue, comprising about 40% of the General Fund. The City is working to minimize impacts to front-line services while strategically and incrementally balancing the budget over the next two years.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

During the MSR, county boundary issues were noted. There are two areas presently located in the City of Cerritos (Los Angeles County), east of the Los Coyotes Flood Control Channel and adjacent to the City of La Palma. One area includes Rainbow Park, currently located in La Palma, but maintained by Cerritos through a contractual arrangement. In these discussions, the channel was referenced as potentially the logical dividing boundary for Orange and Los Angeles Counties, (ideally, with territory east of the creek being La Palma and

Resolution MSR 06-51 Page 5 of 6

west of the creek, Cerritos). With that, both cities may want to explore potential benefits to a county/city boundary adjustment for these areas followed by subsequent annexation. The potential change would place Rainbow Park within the jurisdiction of its current service provider.

6) Local Accountability & Governance

The City of La Palma follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of La Palma provides police, sewer, water, building & planning, public works, solid waste, parks and recreation, and redevelopment services. Animal control and library services are provided by the County of Orange. Fire protection services are provided by the Orange County Fire Authority. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

- 8) Opportunities for Management Efficiencies
 No significant issues were noted.
- 9) Opportunities for Shared Facilities

No significant issues were noted.

Resolution MSR 06-51 Page 6 of 6

NOTICE OF EXEMPTION

| TO: | | Clerl or | k of the Board of Supervisors | FROM: | Orange County Local Agency Formation Commission |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | \boxtimes | | nty Clerk | | 12 Civic Center Plaza, Room 235 |
| Acceptable and a second and a s | | | nty of: Orange | OODD IVAA | Santa Ana, CA 92701 |
| 1. | Projec | t Title: | | City of La I | Palma Sphere of Influence Review (SOI 07-10) |
| 2. | cross : (prefe | streets or rably a U | n – Identify street address and attach a map showing project site SGS 15' or 7 1/2' topographical by quadrangle name): | boundaries bounded by County City | area includes the City of La Palma incorporated and adjacent unincorporated areas. The city is Buena Park, Cypress, and the Los Angeles y of Cerritos. The city's sphere of influence is with city boundaries, and there are no ated islands. |
| 3. | (a) | Projec | t Location – City: | La Palma | |
| | (b) | Projec | t Location – County: | Orange | |
| 4. | LAFC | O Action | on Project: | | e City of La Palma sphere of influence and atement of determinations |
| 5. | Descri of Pro | | nature, purpose, and beneficiaries | required to co written detern agencies are p services and i Municipal Se agency's sphe LAFCO will review on Jul | e with Government Code Sections 56430, LAFCO is conduct regional studies on future growth and make minations about municipal services and how local planning for future growth within our municipal infrastructure systems. In conjunction with ervice Reviews, LAFCO is required to update an ere of influence no less than once every five years. conduct a public hearing for the sphere of influence y 18, 2007. During which, there will be an or public comment on the process. |
| 6. | approximg | | Orange Cou | nty Local Agency Formation Commission | |
| | project | : | | 12 Civic Cer | nter Plaza, Room 235 |
| | | | | Santa Ana, (| CA 92701 |
| 7. | Name out pro | | ss of Person or Agency carrying | Same as abo | ve |
| 8. | Exemp | t status: | (check one) | **** | |
| | (a) | | Ministerial project. | | |
| | (b) | \boxtimes | Not a project. | | |
| | (c) | | Emergency Project. | | |
| | (d) | | Feasibility or Planning Study | | |
| | (e) | | Categorical Exemption. State type and class number: | | |
| | (f) | | Declared Emergency. | | |
| | (g) | | Statutory Exemption. State Code section number: | | |
| ile ter te tit til er förer i kristisk skriverer er in bester | (h) | П | Other. Explanation: | | |
| 9. | | why proj | ect was exempt: | a preliminary Commission' California En concluded tha | sion's Staff, having undertaken and completed review of this project in accordance with the s "Local Guidelines for Implementing the vironmental Quality Act (CEQA)" has at this project does not require further all assessment under CEOA Local Guidelines |

ATTACHMENT D

| 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of La Palma's existing sphere of influence at this time is warranted. | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Carolyn Emery, Senior Project Manager | | |
| (714) 834-2556 | | |
| "A") before filing. | | |
| | | |
| Signature (LAFCO Representative) | | |
| Executive Officer Title | | |
| | | |

SOI 07-10

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF LA PALMA July 18, 2007

| On motion of Commissioner | , dul | y seconded | and | carried, the following |
|---------------------------|-------|------------|-----|------------------------|
| resolution was adopted: | | | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of La Palma (SOI 07-10) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of La Palma (SOI 07-10) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of La Palma; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of La Palma was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of La Palma (SOI 07-10) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Section 2. Determinations

- a) The Commission accepts the report for the sphere of influence update for the City of La Palma (SOI 07-10) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of La Palma, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of La Palma, shown as "Exhibit E-1."
- c) The Commission has reaffirmed the City of La Palma previous sphere of influence as shown on the attached map labeled "Exhibit E-2."
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of La Palma" (SOI 07-10).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA

) SS.

COUNTY OF ORANGE

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

| By: BILL CAMPBELL | |
|-------------------|----|
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| | P. |
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ATTACHMENT E-1

Statement of Determinations City of La Palma Sphere of Influence

Present and Planned Land Uses for the Area

The City of La Palma is expected to increase its current population of approximately 16,081 to 17,368 by the year 2030. The City of La Palma includes mixed land uses -- residential, commercial, open space, and industrial. Single-family detached housing is the predominant existing land use within the City (50.4%). No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

At the present time, the City is for the most part built out, with little land left for development. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

Present Capacity of Public Facilities and Adequacy of Public Services

In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

Social and Economic Communities of Interest

The City of La Palma was incorporated October 19, 1955 and its original SOI was adopted by the Commission in 1973. Current population is approximately 16,000. The city is bounded by Buena Park, Cypress, and the Los Angeles County City of Cerritos. The city's sphere of influence is coterminous with city boundaries, and there are no unincorporated islands.

During the MSR, county boundary issues were noted. There are two areas presently located in the City of Cerritos (Los Angeles County), east of the Los Coyotes Flood Control Channel and adjacent to the City of La Palma. One area includes Rainbow Park, currently located in La Palma, but maintained by Cerritos through a contract. In discussions with the city, the channel was referenced as potentially the logical dividing boundary for Orange and Los Angeles Counties, (ideally, with territory east of the creek in La Palma and west of the creek in Cerritos). Both cities may want to discuss potential benefits of a county/city boundary adjustment with their respective Board of Supervisors and with LAFCO for any subsequent annexation.

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 20 of 22

Proposed Municipal Services Review and Sphere of Influence Review for the City of Placentia (SOI 07-11)

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 21 of 22

City of Placentia

BACKGROUND

The attached report includes the Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Placentia. LAFCOs are required by statute (Government Code Section 56430) to conduct MSRs as a way to assist agencies and residents by: (1) evaluating existing municipal services, and (2) identifying any future constraints or challenges that may impact service delivery in the next 15 to 20 years.

LAFCOs are also required to complete Sphere of Influence (SOI) reviews in conjunction with Municipal Service Reviews for each city and special district at least once every five years. SOIs identify a city's ultimate service boundary within a 15-year time horizon. An SOI is used as a long range planning tool that guides future LAFCO decisions on individual jurisdictional boundary changes, incorporation proposals, district formation, and proposals for consolidation, merger, or formation of subsidiary districts.

MUNICIPAL SERVICE REVIEW (MSR)

No significant service related issues were identified for the City of Placentia. Staff recommends that the Commission adopt the resolution for the City of Placentia MSR report adopting the nine MSR determinations (Attachment C).

SPHERE OF INFLUENCE (SOI)

The City of Placentia incorporated on December 2, 1926 with a current population of approximately 61,000. The city is bounded by Brea, Fullerton, Yorba Linda, and Anaheim. The city's sphere of influence, last reviewed in 1989, includes the incorporated boundaries and a 76-acre small unincorporated island located in the eastern portion of Placentia.

There are no sphere or county boundary issues for Placentia identified at this time. Staff recommends that the Commission receive and file the City of Placentia SOI report, reaffirm the City's current Sphere of Influence (Exhibit E-2), and adopt the SOI resolutions and Statement of Determinations for the City of Placentia (Attachment E).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

LAFCO is the lead agency under CEQA for sphere of influence reviews. Staff, in conjunction with legal counsel, reviewed the CEQA guidelines and recommends that the Commission consider the sphere of influence update for the City of Placentia exempt from CEQA under CEQA Local Guidelines 3.01: the sphere review is not an

LAFCO Regular Meeting Proposed Northwest Orange County MSR & SOI Reports Agenda Items 8c.-8i. July 18, 2007 Page 22 of 22

enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Placentia's existing sphere of influence at this time is warranted. (See Attachment D, Notice of Exemption for the City of Placentia SOI review.)

STAFF RECOMMENDATIONS

Staff recommends that the Commission:

- Adopt the resolution for the City of Placentia's MSR with the required determinations (Attachment C).
- Find the SOI review exempt under CEQA Local Guidelines 3.01 (Attachment D).
- Adopt the resolution (Attachment E) for the City of Placentia's SOI reaffirming the current SOI and as shown on Exhibit E-2 (See page 28 of NWOC MSR Report).

Attachment C: City of Placentia MSR Resolution/Determinations

Attachment D: Notice of Exemption for SOI

Attachment E: City of Placentia SOI Resolution/Determinations

Exhibit E-2: City of Placentia SOI Map (See page 28 of NWOC MSR Report)

MSR 06-51

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA

ADOPTING DETERMINATIONS AND RECEIVING AND FILING THE MUNICIPAL SERVICE REVIEW FOR THE CITY OF PLACENTIA July 18, 2007

On motion of Commissioner , duly seconded and carried, the following resolution was adopted:

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51) ("aka" Northwest Orange County Municipal Service Review) and an accompanying Sphere of Influence update for the City of Placentia (SOI 07-11), and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Municipal Service Review for the City of (MSR 06-51) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Municipal Service Review proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of a municipal service review for the City of Placentia; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the municipal service review for the City of Anaheim was determined to be exempt from CEQA under State CEQA Guidelines §15262, Feasibility and Planning Studies.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) The municipal service review for the City of Placentia (MSR 06-51) together with the written statement of determinations, are determined to be exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines §15262, Feasibility and Planning Studies.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

Resolution MSR 06-51 Page 2 of 6

Section 2. Determinations

- a) The Commission accepts the report for the municipal service review for the City of Placentia (MSR 06-51) as presented to the Commission on July 18, 2007.
- b) The Executive Officer's staff report and recommendation for approval of the municipal service review for the City of Placentia, dated July 18, 2007, are hereby adopted.
- b) The Commission has adopted the accompanying Statement of Determinations for the City of Placentia, shown as "Attachment C-1."
- Section 3. This review is assigned the following distinctive short-form designation: "Municipal Service Review for the City of Placentia ("aka" Central Orange County Municipal Service Review)" (MSR 06-51).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA

) SS.

COUNTY OF ORANGE

Resolution MSR 06-51 Page 3 of 6

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission

| By: | |
|---------------|----------|
| Bill Campbell | <u> </u> |
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Resolution MSR 06-51 Page 4 of 6

SERVICE REVIEW DETERMINATIONS - City of Placentia

1) Growth & Population Projections

The City of Placentia's population is expected increase only by approximately 3,900 persons by 2030. The northwest portion of Orange County including the MSR study area is largely built out. Therefore, this area will experience moderate growth in the future unless land use policies change, allowing for increased density.

2) Infrastructure Needs & Deficiencies

The future growth projected for the city will not significantly increase the demand for additional municipal level services. The City of Placentia reviews infrastructure needs annually through its budget and capital improvement program to ensure that the municipal services provided by the city coincide with the expected need. The city is committed to ensure that service levels are adequately met. No significant issues were noted.

3) Financing Opportunities & Constraints

A majority of Placentia's General Fund revenue is provided through sales tax and property tax revenues. The City has a Utility Users Tax with the revenue currently used for debt reduction. The City has experienced significant financial constraints in the past few years due to ONTRAC financial issues and is working diligently to regain financial stability. General Fund reserves are estimated to be between \$1.5 and \$2 million at June 30, 2007, approximately 7% of the General Fund budget.

As with many public agencies, some of the cities located within the NWOC MSR study area strive to provide the current level of services through stretching of the financial resources. Many of the agencies balance their budgets through the practice of prudent fiscal management. No significant financing issues were noted.

4) Opportunities for Rate Restructuring

No significant issues were noted.

5) Government Structure Options

No significant issues were noted at this time. However, it was noted that the City's current SOI includes an unincorporated area. Although the County of Orange provides services to the area, the City has been identified as the most logical service provider to this adjacent area. Therefore, future annexation of the area should be considered.

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6) Local Accountability & Governance

The City of Placentia follows standard processes for accountability to the public. The city council, as the formal governing body, is elected and conducts regularly scheduled public meetings. The city maintains a website that includes contact information and links to services and local events. No significant issues were noted.

7) Opportunities for Cost Avoidance

The City of Placentia provides police, sewer, water, building & planning, public works, solid waste, parks and recreation, and redevelopment services. Animal control and library services are provided by the County of Orange. Fire protection services are provided by the Orange County Fire Authority. The Yorba Linda Water District, an independent special district, also provides retail water to portions of the City. When feasible, NWOC MSR agencies participate in the sharing of facilities and services to provide services within the focus area more efficiently. No significant issues were noted.

8) Opportunities for Management Efficiencies No significant issues were noted.

9) Opportunities for Shared Facilities No significant issues were noted.



NOTICE OF EXEMPTION

| F | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TO: | | Clerk of the Board of Supervisors or | FROM: Orange County Local Agency Formation Commission |
| | \boxtimes | County Clerk | 12 Civic Center Plaza, Room 235 |
| | | County of: Orange | Santa Ana, CA 92701 |
| 1. | Project Ti | | City of Placentia Sphere of Influence Review (SOI 07-11) |
| ļ | | | |
| 2. | cross stree (preferabl | ocation – Identify street address and ets or attach a map showing project site y a USGS 15' or 7 1/2' topographical ified by quadrangle name): | The project area includes the City of Placentia incorporated boundaries and an adjacent unincorporated area. The city is bounded by Brea, Fullerton, Yorba Linda, and Anaheim. The city's sphere of influence, last reviewed in 1989, includes the incorporated boundaries and a 76-acre small unincorporated island located in the eastern portion of Placentia. |
| 3. | (a) F | roject Location – City: | Placentia and a portion of unincorporated Orange County |
| | (b) F | roject Location – County: | Orange |
| 4. | LAFCO A | ction on Project: | Reaffirm the City of Placentia sphere of influence and adopt the statement of determinations |
| 5. | Description of Project: | n of nature, purpose, and beneficiaries | In accordance with Government Code Sections 56430, LAFCO is required to conduct regional studies on future growth and make written determinations about municipal services and how local agencies are planning for future growth within our municipal services and infrastructure systems. In conjunction with Municipal Service Reviews, LAFCO is required to update an agency's sphere of influence no less than once every five years. LAFCO will conduct a public hearing for the sphere of influence review on July 18, 2007. During which, there will be an opportunity for public comment on the process. |
| 6. | Name & A project: | ddress of Public Agency approving | Orange County Local Agency Formation Commission 12 Civic Center Plaza, Room 235 |
| | | | Santa Ana, CA 92701 |
| 7. | Name & A | ddress of Person or Agency carrying: | Same as above |
| 8. | Exempt sta | tus: (check one) | |
| | (a) | Ministerial project. | |
| iri karakari karakaran karan kar | (b) | ☐ Not a project. | |
| | (c) [| Emergency Project. | |
| Principle of the Control of the Cont | (d) [| Feasibility or Planning Study | |
| | (e) [| Categorical Exemption. | |
| i interiori and a mel manuscratic de conservacione de secucione. | | State type and class number: | |
| | | Declared Emergency. | |
| | (g) [| Statutory Exemption. State Code section number: | |
| | (h) [| Other. Explanation: | |
| 9. | Reason why | y project was exempt: | The Commission's Staff, having undertaken and completed a preliminary review of this project in accordance with the Commission's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further |

ATTACHMENT D

| | | ATTACHMENT | | |
|---------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | | environmental assessment under CEQA Local Guidelines 3.01: the sphere review is not an enactment and, therefore, not a project within the definition of "project" contained in CEQA Guidelines Section 21065. The review determined that no modification to City of Placentia's existing sphere of influence at this time is warranted. | | |
| 10. | Contact Person: | Carolyn Emery, Senior Project Manager | | |
| | Telephone: | (714) 834-2556 | | |
| 11. | 11. Attach Preliminary Exemption Assessment (Form "A") before filing. | | | |
| Data Da | acaived for Filing | | | |
| Date Received for Filing: | | Signature (LAFCO Representative) | | |
| (Clerk S | Stamp Here) | Executive Officer Title | | |

SOI 07-11

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF ORANGE COUNTY, CALIFORNIA MAKING DETERMINATIONS AND APPROVING THE SPHERE OF INFLUENCE FOR THE CITY OF PLACENTIA July 18, 2007

| On motion of Commissioner | duly | seconded and | concentration of | following |
|---------------------------|------|--------------|------------------|-----------|
| resolution was adopted: | | | | |

WHEREAS, California Government Code Section 56425 requires that a Local Agency Formation Commission ("LAFCO") adopt Spheres of Influence for all agencies in its jurisdiction and to update those spheres every five years; and

WHEREAS, the Sphere of Influence is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, proceedings for adoption, update and amendment of a Sphere of Influence are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 et seq. of the Government Code; and

WHEREAS, California Government Code Section 56430 requires that in order to prepare and to update Spheres of Influence the Commission shall conduct Municipal Service Reviews prior to or in conjunction with action to update or adopt a sphere of influence; and

WHEREAS, the Orange County LAFCO staff has prepared a report for the Municipal Service Review (MSR 06-51), as an accompanying report to the Sphere of Influence update for the City of Placentia (SOI 07-11) and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the report for the Sphere of Influence update for the City of Placentia (SOI 07-11) contains statements of determination as required by California Government Code Section 56430 for the municipal services provided by the city; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set July 18, 2007 as the hearing date on this Sphere of Influence study proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including her recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the proposal consists of the designation of a sphere of influence for the City of Placentia; and

WHEREAS, this Commission called for and held a public hearing on the proposal on July 18, 2007, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the sphere of influence update for the City of Placentia was determined to be exempt from CEQA as not a project under State CEQA Guidelines §21065.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Orange DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Environmental Actions:

- a) Reaffirming the sphere of influence for the City of Placentia (SOI 07-11) is determined to be exempt from the California Environmental Quality Act (CEQA) as not a project under State CEQA Guidelines §21065.
- b) The Commission directs the Executive Officer to file a Notice of Exemption as the lead agency under Section 15062.

- Section 2. Determinations
 - a) The Commission accepts the report for the sphere of influence update for the City of Placentia (SOI 07-11) as presented to the Commission on July 18, 2007.
 - b) The Executive Officer's staff report and recommendation for approval of the sphere of influence update of the City of Placentia, dated July 18, 2007, are hereby adopted.
 - b) The Commission has adopted the accompanying Statement of Determinations for the City of Placentia, shown as "Exhibit E-1."
 - c) The Commission has reaffirmed the City of Placentia previous sphere of influence as shown on the attached map labeled "Exhibit E-2."
- Section 3. This review is assigned the following distinctive short-form designation: "Sphere of Influence Update for the City of Placentia" (SOI 07-11).
- Section 4. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in Section 56882 of the Government Code.

AYES:

NOES:

STATE OF CALIFORNIA

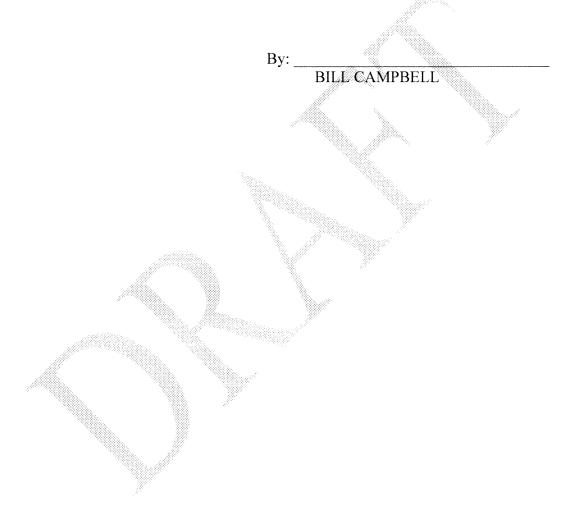
SS.

COUNTY OF ORANGE

I, BILL CAMPBELL, Chair of the Local Agency Formation Commission of Orange County, California, hereby certify that the above and foregoing resolution was duly and regularly adopted by said Commission at a regular meeting thereof, held on the 18th day of July, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of July, 2007.

BILL CAMPBELL Chair of the Orange County Local Agency Formation Commission



ATTACHMENT E-1

Statement of Determinations City of Placentia Sphere of Influence

Present and Planned Land Uses for the Area

The City of Placentia is expected to increase its current population of approximately 51,236 to 55,164 by the year 2030. The City of Placentia includes mixed land uses -- residential, commercial, open space, and industrial. Development in the City of Placentia has been concentrated mostly n low density residential development. No significant changes to existing land uses are anticipated.

Present and Probable Need for Public Facilities and Services

The City is essentially built out. The City reviews infrastructure needs annually through its budget and capital improvement program to ensure that services are provided concurrently with need.

<u>Present Capacity of Public Facilities and Adequacy of Public Services</u>
In the 2007 Northwest Orange County Municipal Service Review (MSR) report, no significant infrastructure or service constraints were identified.

Social and Economic Communities of Interest

The City of Placentia incorporated on December 2, 1926 with a current population of approximately 61,000. The city is bounded by Brea, Fullerton, Yorba Linda, and Anaheim. The city's sphere of influence, last reviewed in 1989, includes the incorporated boundaries and a 76-acre small unincorporated island located in the eastern portion of Placentia. Historically residents of the adjacent unincorporated area have been opposed to annexation to the City. More recently, the Placentia City Council voted to not initiate annexation at this time due to this opposition.